

**REMARKS**

Claims 1-3, 5-7, 13-17, 19-22, 68-71, 73-78 are currently pending in this application, with claims 1, 13-15, 68 and 76-78 in independent form. Claims 4, 8-12, 18, 23-67 and 72 have been previously canceled without prejudice or disclaimer. Claims 79 and 80 have been added by way of this amendment. Applicants submit support for the new claims is found throughout the specification, for example in the Abstract of the invention, Fig. 3 and the corresponding discussion of Fig. 3 on page 9 of the specification. Accordingly, Applicants submit no new matter has been added by way of his amendment. Applicants respectfully request reconsideration in view of the foregoing amendments and the following remarks.

**Claim Rejections – 35 U.S.C. § 103**

Claims 1-3, 13-17, 68, 70-71, 76-78 have been rejected under 35 U.S.C. § 103(a), as being unpatentable over ("Fixed-Rate Mortgage Still Popular") by Ruth Richey, Richmond Times-Dispatch, Richmond, VA, March 16, 1986 (hereafter "Ruth"); pg. J-3, in view of "Life Cycle of a Net-Leased Property" by Leonard A. Cline, Real Estate Review, New York: 1997, Vol. 27, Issue 3, pg. 34 5pgs (hereafter "Cline"). Also, Claims 5-7 and 19-22 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Ruth, in view of Cline, as applied to claims 1-3, 13-17, 68, 70-71, 76-78, and further in view of Lease, Buy or Reimburse Outside Vehicles by Battersby, Mark E. Agency Sales. Irvine: Oct. 1996. Vol. 16, Iss. 10; pg 55, 3 pgs. (hereafter "Battersby").

Applicants submit that the Examiner has not established a *prima facie* case of obviousness. More specifically, Applicants submit the cited references, Ruth and/or Cline, taken alone or in combination fail to teach, disclose or suggest the claimed elements recited in the pending claims.

Independent claim 1 recites, *inter alia*:

A method for billing a flat, recurring charge to a buyer for financing and insurance after a sale or lease of an item, comprising...

calculating on a computer system a periodic recurring amount based on the insurance premium, the financial balance and the second time period; and

receiving, from the buyer, a single payment corresponding to the periodic recurring amount within the first time period.

Independent claim 68 recites, *inter alia*:

A method for determining a periodic payment for (1) a purchase or lease of an item and (2) an insurance premium for an insurance policy covering an item, comprising...

calculating on a computer system an insurance premium for the second time period based on the item and the buyer; and

calculating a periodic payment on a computer system to pay for the lease or sale of the item and the calculated insurance premium.

Applicants submit that the cited references taken alone or in combination do not teach, disclose or suggest receiving the claimed first, second or third indications, calculating a periodic amount based on the recited factors in the context of either independent claim 1 or 68 or receiving from the buyer a payment corresponding to the periodic recurring amount as recited in independent claim 1.

The Examiner's Alleged Combination of Ruth and Cline

**A.** Regarding Independent Claim 1, the Examiner alleges the claimed elements are rendered obvious by a combination of Ruth and Cline. More specifically, the Examiner alleges: "[a]s per claim 1, Ruth discloses of 'or lease', 'receiving a third indication of a first time period in which a periodic payment is due, and a second time period in which the buyer must pay a financial balance corresponding to the item, the financial balance corresponding to a loan amount or a lease amount (See Ruth, Page 1, Paragraphs 1-3)." (See, Office Action dated March 3, 2006, Page 2, ¶ 4). However, the Examiner acknowledges that "Ruth does not explicitly disclose that the method having 'the second time period being greater than 1 year', 'second', 'first time period'." (Id., at Page 2, ¶ 5).

The Examiner turns to Cline to remedy the deficiencies identified in Ruth. In the Office Action, the Examiner alleges:

[h]owever, this feature is known in the art, as evidenced by Cline. In particular, Cline suggests that method having the second time period being greater than 1 year", "second", "first time period" (See, Cline, Page 1, Paragraph 1).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Cline within the "Fixed-rate mortgage still popular" of Ruth with the motivation of amortizing the loan over a 30-year period, with a balloon principal payment at the end of 20 years. (See, Office Action dated March 3, 2006., at Page 3, ¶ 1-2).

**B.** The Examiner makes nearly identical assertions about independent claim 68.

Regarding independent claim 68, the Examiner alleges the claimed elements are rendered obvious by a combination of Ruth and Cline. More specifically, the Examiner alleges: "[a]s per

claim 68, Ruth discloses "a periodic payment for (1) a purchase or lease of an item and (2)", "first time period in which said periodic payment is due, and a second time period" (See Ruth, Page 1, Paragraphs 1-3)." (See, Office Action dated March 3, 2006, Page 4, ¶ 2).

The Examiner acknowledges that "Ruth does not explicitly disclose that the method having 'the second time period being greater than 1 year', 'second time period', 'and calculating a periodic payment on a computer to pay for the lease or sale of the item and the calculated insurance premium.'" (See, Office Action dated March 3, 2006, at Page 4, ¶ 3).

The Examiner again relies on Cline to allegedly remedy the deficiencies identified in Ruth. In the Office Action, the Examiner alleges:

[h]owever, this feature is known in the art, as evidenced by Cline. In particular, Cline suggests that the method having 'the second time period being greater than 1 year', 'second time period', 'and calculating a periodic payment on a computer to pay for the lease or sale of the item and the calculated insurance premium" (See, Cline, Page 1, Paragraph 1).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Cline within the "Fixed-rate mortgage still popular" of Ruth with the motivation of amortizing the loan over a 30-year period, with a balloon principal payment at the end of 20 years. (See, Office Action dated March 3, 2006, at Page 4, ¶ 4-5).

However, Applicants submit that cited references do not render the claimed invention obvious. Applicants submit that Ruth and/or Cline quite simply do not teach, disclose or suggest the claimed invention, taken alone or in combination, or in light of any of the tangential assertions alleged by the Examiner.

The Cited References

Applicants submit that the cited references, Ruth and Cline, merely discuss loans and mortgages in a context that is completely unrelated to the claimed invention.

The cited passages from Ruth that allegedly teach aspects of independent claim 1 are three paragraphs from the abstract of Ruth's article. The cited paragraphs simply discuss the benefits of a home owner pursuing a 15 year home mortgage, instead of a 30 year mortgage (See, Ruth, Paragraph 1); using a larger down payment to avoid Private Mortgage Insurance ("PMI") (See, Ruth, Paragraph 2) and the availability of variable interest mortgages as alternatives to fixed rate mortgages (See, Ruth, Paragraph 3).

Applicants submit that a discussion of 15 or 30 year mortgage terms and paying a larger down payment to avoid PMI does not teach, disclose, or suggest at least :

calculating on a computer system a periodic recurring amount based on the insurance premium, the financial balance and the second time period; and

receiving, from the buyer, a single payment corresponding to the periodic recurring amount within the first time period.

as recited in independent claim 1.

Applicants also submit that Ruth's discussion of 15 or 30 year mortgage terms or paying a larger down payment to avoid PMI does not teach, disclose, or suggest at least :

calculating on a computer system an insurance premium for the second time period based on the item and the buyer; and

calculating a periodic payment on a computer system to pay for the lease or sale of the item and the calculated insurance premium.

as recited in independent claim 68.

Accordingly, Applicants submit that there are clearly deficiencies in Ruth as rendering obvious independent claim 1 or independent claim 68.

The Examiner asserts that including the feature of Cline [from cited paragraph 1] with Ruth somehow remedies the deficiencies identified above in Ruth and renders the claims obvious. However, Applicants submit that Cline simply discusses a method for structuring a mortgage loan and does not teach, disclose or suggest the claimed invention. More specifically, Cline discusses structuring a real estate loan as a non-recourse loan that is amortized over a 30 year period, with a balloon principal payment at the end of 20 years. (See, Cline, Paragraph 1, lines 7-10). Cline does not discuss aspects of financial balances of a sale/lease in coordination with an insurance premium associated with the sale/lease.

Applicants submit that creating a non-recourse real estate loan with a balloon patent does not teach, disclose, or suggest at least :

calculating on a computer system a periodic recurring amount based on the insurance premium, the financial balance and the second time period; and  
receiving, from the buyer, a single payment corresponding to the periodic recurring amount within the first time period.

as recited in independent claim 1.

Applicants submit that creating a non-recourse real estate loan with a balloon patent does not teach, disclose, or suggest at least :

calculating on a computer system an insurance premium for the second time period based on the item and the buyer; and  
calculating a periodic payment on a computer system to pay for the lease or sale of the item and the calculated insurance premium.

as recited in independent claim 68.

New Independent Claims 79 and 80 are patent distinct the cited references

Applicants submit that new independent claims 79 and 80 are not rendered obvious by any aspect of Ruth and/ Cline taken alone or in combination.

New Independent claim 79 recites:

A processor-implemented method for coordinating payment comprising...  
processing data on a computer system that is associated with a sale or lease of an item and a co-extensive insurance policy for the item;  
calculating a buyer periodic payment on the computer system based on factors including:  
an insurance premium associated with the co-extensive insurance policy;  
a total outstanding balance associated with the total sale price or total lease amount of the item,  
a first period of time corresponding to the due date associated with an installment payment of the total outstanding balance, and  
a second period of time corresponding to the due date associated with paying off the total outstanding balance; and  
receiving a single payment corresponding to the buyer periodic payment amount within the first period of time.

New Independent claim 80 recites:

A processor-implemented method for determining an providing insurance:  
processing data on a computer system that is associated with a sale or lease of an item, a buyer or lessee of the item and a request for a co-extensive insurance policy for the item;  
calculating an insurance premium on the computer system based on processed data including:  
a total outstanding balance associated with the total sale price or total lease amount of the item,  
a first period of time corresponding to the due date associated with an installment payment of the total outstanding balance, and  
a second period of time corresponding to the due date associated with paying off the total outstanding balance; and  
determining a buyer periodic payment amount applied to paying a portion of the total outstanding balance and the calculated insurance premium.

Applicants submit that Ruth's discussion of 15 or 30 mortgages, avoidance of PMI and comparison of variable/fixed rate mortgages does not teach, disclose or suggest the recited elements of claims 79 or 80 set forth above. Furthermore, Applicants submit that Cline's non-recourse real estate loans configured with a balloon payment do not remedy any of the deficiencies identified above in Ruth with regard to the pending claims.

Moreover Applicants submit that the Battersby reference does not remedy the deficiencies identified above in Ruth or Cline, with regard to the pending independent claims. As such, although Applicants do not explicitly address the rejections of these dependent claims herein, Applicants explicitly reserve the right to address these issues in a future Response.

Accordingly Applicants submit that claims 1, 68, 79 and 80 are patentably distinct from the cited references, taken alone or in combination. Therefore, Applicants request withdrawal of these grounds of rejections.

### **CONCLUSION**

Applicants submit that the cited passages in the cited references taken alone or in combination do not teach, disclose or suggest at least the elements of independent claims 1 or 68. Accordingly, Applicants submit that the independent claims 1 and 68, as well as new claims 79 and 80 are patentably distinct from the cited references for at least these reasons. Applicants submit that independent claims 13-15 and claims 76-78 are also patentably distinct from the cited references for at least similar reasons. Moreover, Applicants submit that claims 2-3, 5-7, 13, 14, 19-22, 70-71, which are directly or indirectly dependent from independent claims 1, 13-15, 68, or 76-78, respectively.

Applicants also request that should the Examiner maintain his position regarding Ruth and Cline, the Examiner explicitly describe how particular parts of the cited references relate to the various elements of the pending claims as required per MPEP § 706, MPEP § 707.07(d), and 37 CFR § 1.104(c).

It is now believed that all pending claims are in condition for allowance. In view of the amendments and remarks, an early and favorable reconsideration is respectfully requested.

**AUTHORIZATION**

The Commissioner is hereby authorized to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17246-002. In the event that an extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17246-002.

Respectfully submitted,  
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